

**Forty-Fourth Annual Survey of well-known
business and industrial firms**

Employment Trends for college graduates
in business

The Northwestern Lindquist-Endicott Report 1990

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**The Placement Center
Northwestern University**

TRENDS IN THE EMPLOYMENT
OF
COLLEGE AND UNIVERSITY GRADUATES
IN
BUSINESS AND INDUSTRY

**THE NORTHWESTERN
LINDQUIST-ENDICOTT REPORT - 1990**

FORTY-FOURTH ANNUAL REPORT
A NATIONAL SURVEY OF 260 WELL-KNOWN BUSINESS
AND INDUSTRIAL ORGANIZATIONS

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INTRODUCTORY STATEMENT

This is the 44th annual national survey of policy and personnel practices related to the employment of college and university graduates across the spectrum of business and industry. A total of 260 well-known companies responded with usable surveys. A large percentage are large or medium-sized national corporations with a smaller group representing regional areas or specialized industry groups. Almost all of these companies have recruited graduates for many years through campus interviewing or co-op programs, although some will not be recruiting during the current academic year because of business conditions. Reports came from 28 states representing all regions of the nation. Surveys were returned from November 14 to December 6, 1989.

The purpose of this report is to provide information that will be of value and interest to employers as well as college administrators and students. An important continuing feature of the Lindquist-Endicott survey is an estimate by the responding companies of the number of graduates to be employed during the coming year and the starting salaries to be offered. Economic questions specific to the respondents and topical questions of general interest are also surveyed that will apprise the human resource professional and the college community of current trends and practices.

The business outlook for the corporations participating in this survey is overall less optimistic than a year ago. Fifty percent of the firms expect business to improve in 1990, a decline from the optimism of last year, while 44 percent anticipate twelve months with no growth. Six percent, twice the number in the last survey, look to a worse 1990. It is an unusual balance between those who foresee corporate improvement and the group that is preparing for a period of flatness or a drop in business.

The constrained euphoria present with the election of a new administration a year ago is today quieted and now management is less certain about the future. Business has a decidedly mixed outlook with many industry groups expecting higher profits, but some companies anticipate weaker earnings and have turned to reorganization or restructuring and early retirements. The Federal Reserve has apparently been successful in maintaining an economy with inflation and economic growth falling within acceptable parameters. Though the mania of leveraged buyouts and acquisitions has abated slightly, one can really ask when the needed dramatic investment in new plants and equipment will begin and the exportation of manufacturing jobs to foreign markets will be reversed. There are major national problems with the savings and loan debacle, the trade and federal deficit, but there are also bright and very promising signs as we observe some American companies modernizing and building new plants in the states.

The ability of our national economy to expand in a competitive international marketplace is going to depend upon our ability to supply educated and trainable manpower. The demand for college trained talent could easily exceed the supply within the next five years. There are certain disciplines already in short supply. At the high school level the number of graduates with a mastery of the basic skills usually attributed to a diploma holder has to increase or business will not be able to expand or use the new technologies. This is as true in the manufacturing as in the service sector. It may become so critical that business will cause government to reassess its priorities and again place the needed resources, with accountability, into education.

SOURCES OF DATA

The generous contribution of hundreds of corporate personnel executives who supply us their data and comments, often at considerable expense, is greatly appreciated, and care has been taken to assure confidentiality and anonymity. The responding companies represent a cross section of American business, with many of the firms diversified and in many traditionally unrelated industries. They can be classified into the following groups:

Aerospace	6	Merchandising & Services	13
Automotive & Mechanical	11	Metals & Metal Products	11
Banking, Finance & Insurance	50	Petroleum & Natural Gas	9
Building, Materials & Construction	4	Public Accounting	8
Chemicals, Drugs & Rubber	21	Public Utilities	16
Computers & Business Equipment	8	Research and Consulting	11
Electrical & Electronics	15	Transportation	9
Food & Beverage Processing	13	Diversified Conglomerate	8
Glass, Paper & Packaging	3	Miscellaneous	44

CORPORATE ECONOMIC AND RECRUITING OUTLOOK

A general assessment of the current year's business and recruiting activity and the economic outlook for the next year, 1990.

CORPORATE PERFORMANCE IN 1989

Better than 1988	46%
About the same as 1988	41%
Worse than 1988	13%

CORPORATE OUTLOOK FOR 1990

Better than 1989	50%
About the same as 1989	44%
Worse than 1989	6%

CONFIDENCE IN YOUR PROJECTION FOR 1990

	Very Confident		Neutral		Not confident	
1	2	3	4	5	6	7
14%	29%	28%	22%	5%	1%	1%

CORPORATE RECRUITING IN 1988-89

Did you adjust your hiring goals during the year?

Yes.....	62%	No.....	38%
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If yes, how were these goals adjusted?

Increased.....	46%	Decreased.....	54%
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CORPORATE RECRUITING PLANS FOR 1990 AS COMPARED TO 1989

INTERVIEW SCHEDULES

<u>CAMPUSES</u> <u>SCHEDULED</u>	Total	Decrease 36.6%	Same 24.1 %	Increase 39.2%
	Decrease 35.3%	28.9 %	2.6%	3.9%
	Same 28.0 %	4.3%	19.0 %	4.7%
	Increase 36.6%	3.4%	2.6%	30.6%

CORPORATE RECRUITING FOR COLLEGE GRADUATES - CLASS OF 1990

	<u>Bachelor's Degree</u>	<u>Master's Degree</u>
Corporations with needs UP	52%	40%
Corporations with needs SAME as 1989	16%	26%
Corporations with needs DOWN	32%	34%

**THE EMPLOYMENT OF INEXPERIENCED COLLEGE GRADUATES DURING
THE PAST YEAR
AND FOR NEXT AS REPORTED BY 260 COMPANIES**

<u>BACHELOR'S LEVEL</u>	Past Year-1989		Next Year-1990	
	<u>No. Companies</u>	<u>No. Grads</u>	<u>No. Companies</u>	<u>No. Grads</u>
Engineering	133	13,649	131	13,549
Accounting	119	5,404	116	5,507
Sales-Marketing	93	2,825	86	2,530
Business Administration	99	2,948	88	3,067
Liberal Arts*	74	1,816	68	1,533
Computer*	101	4,987	103	5,201
Chemistry*	39	302	35	413
Mathematics or Statistics*	42	596	34	599
Economics* or Finance	82	1,548	80	1,555
Other Fields/Undesignated*	61	2,768	51	2,576
TOTALS - Bachelor's Level		36,843		36,530

MASTER'S LEVEL

Engineering	82	1,962	71	1,867
Other Technical Fields	45	1,081	38	881
MBA with Technical BS	63	1,124	62	1,079
MBA with Nontechnical BA	109	1,668	94	1,657
Accounting	29	769	26	940
Other Fields/Undesignated	23	544	23	452
TOTALS - Master's Level		7,148		6,876

SUMMARY OF CHANGES IN DEMAND FOR 1990

Engineering:	Bachelor's - Not Significant $\pm$	Master's - Down for 1990 5%
Nonengineering:	Bachelor's - Not Significant $\pm$	Master's - Down for 1990 3%
Total:	Bachelor's - Not Significant $\pm$	Master's - Down for 1990 4%

* In considering the overall demand for graduates in the liberal arts, the asterisked (*) disciplines must also be recognized since these courses are usually offered in colleges of arts and sciences.

College Graduates to Be Hired at Various Salary Levels

Bachelor's Degree

Class-1990

Field	<1399	1400-1499	1500-1599	1600-1699	1700-1799	1800-1899	1900-1999	2000-2099	2100-2199	2200-2299	2300-2399	2400-2499	2500-2599
Engineering							20 (1)	5 (3)		7 (3)	1029 (10)	2912 (12)	3160 (40)
Accounting				106 (2)	3 (2)	43 (10)	57 (11)	677 (34)	2321 (25)	2038 (17)	56 (7)		37 (5)
Sales-Marketing			7 (3)	70 (5)	128 (6)	54 (7)	155 (12)	477 (21)	128 (9)	224 (10)	468 (5)	27 (3)	2 (2)
Business Administration	1 (1)	4 (2)	15 (2)	90 (6)	30 (5)	310 (11)	168 (9)	737 (17)	704 (8)	386 (12)	217 (11)	80 (4)	50 (1)
Liberal Arts			22 (3)	41 (5)	20 (4)	198 (12)	44 (6)	350 (12)	762 (10)	102 (5)	100 (6)	12 (2)	31 (1)
Computer				115 (2)	10 (1)	12 (2)	6 (3)	1034 (5)	48 (7)	142 (12)	490 (19)	867 (19)	501 (19)
Chemistry				1 (1)		2 (1)	6 (1)	51 (2)	28 (3)	25 (6)	90 (10)	44 (4)	21 (6)
Mathematics or Statistics				12 (1)		4 (2)	3 (1)	152 (7)	18 (4)	31 (5)	37 (4)	15 (4)	114 (7)
Economics or Finance			7 (2)	15 (2)	70 (4)	27 (6)	79 (8)	751 (22)	62 (8)	97 (9)	80 (4)	73 (4)	71 (4)
Other Fields				16 (4)	66 (1)	28 (4)	45 (3)	187 (13)	1346 (9)	155 (5)	30 (4)	55 (3)	208 (3)

Master's Degree

Class-1990

Field	<2199	2200-2299	2300-2399	2400-2499	2500-2599	2600-2699	2700-2799	2800-2899	2900-2999	3000-3099	3100-3199	3200-3299	3300-3399
Engineering				10 (1)	73 (8)	6 (2)	141 (8)	184 (7)	396 (17)	711 (22)	104 (10)	133 (3)	18 (1)
Other Technical Fields	2 (1)	11 (1)	2 (1)		146 (2)	78 (5)	44 (6)	194 (10)	50 (5)	320 (7)	5 (1)		
MBA With Technical BS		5 (1)			8 (4)	275 (3)	68 (2)	122 (2)	41 (2)	13 (3)	3 (2)	11 (3)	129 (6)
MBA With Nontechnical BA	22 (4)	5 (1)	2 (1)	16 (2)	6 (3)	273 (7)	21 (4)	71 (5)	32 (6)	137 (11)	21 (3)	43 (6)	222 (7)
Accounting	1 (1)	5 (2)		376 (3)	123 (4)	8 (3)	4 (3)	8 (2)	211 (4)		8 (1)	5 (1)	
Other Nontechnical Fields	9 (3)		3 (1)	7 (2)	170 (2)		100 (1)	57 (2)	108 (6)	5 (1)			

Average Increase For:

Bachelor's Engineering..... 4.7%

Bachelor's Nonengineering..... 3.4%

Master's Engineering..... 3.4%

Master's Business..... 4.1%

Other Master's..... 3.7%

Overall: Bachelor's and Master's..... 3.9%

Salary Increase %	Negative	.0
Firm Frequency	18	18
% in Classification	8.2%	8.2%

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2600-2699	2700-2799	2800-2899	2900-2999	3000-3099	3100-3199	3200-3299	3300-3399	3400-3499	3500-3599	3600-3699	3700 +	Average 1989*	Average 1990*	% Change
4309 (28)	1362 (25)	470 (6)	2 (2)	5 (1)				1 (1)				2571	2692	4.7%
	1 (1)	2 (1)										2159	2284	5.8%
459 (3)	556 (2)											2314	2319	.2%
2 (1)	62 (3)	4 (1)		1 (1)								2112	2208	4.6%
34 (1)	69 (3)	2 (1)										2134	2197	2.9%
1353 (5)	5 (1)	2 (1)	6 (1)		2 (1)							2384	2425	1.7%
12 (2)	7 (2)											2296	2424	5.6%
159 (4)	3 (1)										1 (1)	2368	2412	1.8%
86 (2)	57 (4)			1 (1)								2151	2226	3.6%
1 (1)	6 (2)			324 (1)								2281	2394	4.9%

3400-3499	3500-3599	3600-3699	3700-3799	3800-3899	3900-3999	4000-4099	4100-4199	4200-4299	4300-4399	4400-4499	4500 +	Average 1989*	Average 1990*	% Change
17 (2)												2977	3077	3.4%
9 (1)	9 (2)						4 (1)					2857	2934	2.7%
33 (3)	123 (6)	15 (2)	152 (3)	1 (1)	1 (1)	1 (1)	16 (4)	6 (1)	18 (3)	10 (1)	30 (7)	3187	3296	3.4%
240 (2)	27 (4)	131 (7)	78 (5)	74 (5)	11 (4)	39 (5)	3 (1)	78 (3)	16 (3)		54 (7)	3334	3482	4.4%
3 (1)								3 (2)			4 (1)	2657	2787	4.9%
		2 (1)						6 (1)				2728	2905	6.5%

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*Salary per month. Averages take in to account the number of graduates to be hired at each level.
() Number of hiring companies in parentheses.

Distribution of Percentage Salary Increases

.01-.99	1.0-1.9	2.0-2.9	3.0-3.9	4.0-4.9	5.0-5.9	6.0-6.9	7.0-7.9	8.0-8.9	9.0-9.9	10.0-10.9	Above 11.0
7	12	19	26	34	25	17	11	6	8	6	13
3.2%	5.5%	8.6%	11.8%	15.5%	11.4%	7.7%	5.0%	2.7%	3.6%	2.7%	5.9%

**THE EMPLOYMENT AND SALARIES OF ENGINEERING GRADUATES
DURING THE PAST YEAR AND AS PROJECTED FOR 1990**

Field	Number of Companies Reporting	Employment		Salaries			
		Actual 1989	Projected 1990	Actual 1989	Range '90 Low-High	Average 1990	% Change

BACHELOR'S LEVEL

Aerospace	13	370	296	\$2,494	\$2392-2835	\$2,597	4.13
Chemical	54	1196	1478	\$2,705	\$2375-3083	\$2,863	5.85
Civil	23	200	210	\$2,516	\$2333-2908	\$2,632	4.63
Electrical/C.S.	79	4555	4016	\$2,593	\$2000-3100	\$2,697	4.04
Industrial	51	932	883	\$2,551	\$2000-3166	\$2,655	4.06
Mechanical	81	3169	3015	\$2,578	\$2200-3025	\$2,696	4.58
Metals/Materials	20	140	142	\$2,530	\$2400-3132	\$2,603	2.89
Nuclear	3	26	33	\$2,596	\$2490-2782	\$2,696	3.85
Petroleum	4	38	37	\$2,947	\$2964-3135	\$3,048	3.43
Engineering Tech	20	227	220	\$2,451	\$1916-3045	\$2,539	3.60

MASTER'S LEVEL

Chemical	28	169	183	\$3,018	\$2615-3800	\$3,173	5.14
Civil	7	27	29	\$2,631	\$2638-3050	\$2,727	3.68
Electrical/C.S.	37	723	602	\$3,043	\$2800-3713	\$3,141	3.22
Industrial	18	112	101	\$2,923	\$2607-3470	\$3,013	3.10
Mechanical	40	371	393	\$3,040	\$2625-4224	\$3,140	3.27
Metals/Materials	9	25	22	\$2,980	\$2633-4264	\$2,982	.07
Nuclear	3	13	14	\$2,930	\$3010-3167	\$3,057	4.33

DOCTORATE LEVEL

Chemical	17	165	222	\$4,067	\$3125-4641	\$4,293	5.56
Electrical/C.S.	8	57	49	\$4,163	\$3800-5008	\$4,300	3.28
Mechanical	10	33	42	\$4,001	\$3300-4505	\$4,138	3.41
Metals/Materials	2	13	8	\$4,018	\$4108-4261	\$4,241	5.56

CONTEMPORARY PRACTICES

Professional Salary Increases 1989 and 1990

... What was the average salary increase for your professional (exempt) payroll in 1989 and what do you estimate the increase will be in 1990?

SALARY INCREASE %	1%	2%	3%	4%	5%	6%	7%	8%	9%	10%+
% Of Firms 1989	.5	.5	8.0	21.4	41.1	13.3	2.7	4.0	1.3	6.3
% Of Firms 1990	3.1	1.3	6.7	18.4	41.7	14.8	4.5	4.0	1.3	4.0

Mean Increase: 1989 5.2% 1990 5.1%

Professional Personnel Reduction

...Did your company reduce its professional-exempt-payroll during the current year, 1989?

Yes 32% No.....68%

Does your organization plan professional staff reduction in 1990?

Yes 25% No.....75%

Percentage of Firms Within an Industry Planning on Reducing Staff in 1990

Aerospace	33%	Merchandising & Services	9%
Automotive & Mechanical	67%	Metals & Metal Products.....	11%
Banking, Finance & Insurance	22%	Petroleum & Natural Gas	14%
Building, Materials & Construction.....	25%	Public Accounting	0%
Chemicals, Drugs & Rubber	12%	Public Utilities.....	27%
Computers & Business Equipment	25%	Research and Consulting	0%
Electrical & Electronics	38%	Transportation	71%
Food & Beverage Processing	50%	Diversified Conglomerate.....	33%
Glass, Paper & Packaging	50%	Miscellaneous	22%

Attrition

...What percentage of your college campus hires do you estimate leave your company within the first year of employment?

Average.....6.8%

Estimate of the percentage of your campus hires made from the class of 1987 - three years ago - that left your company?

Average.....22.5%

What is your estimated annual attrition for all exempt employees?

Average.....11.3%

Percentage Distribution of Firms by Quintile

ATTRITION	<5%	6-10%	11-15%	16-20%	21-25%	26-30%	31-35%	36-40%	41-45%	46-50%	51+%
First Year % of Firms	67%	18%	4%	4%	2%	2%	1%	0	0	2%	0
Third Year % Of Firms	23%	17%	9%	10%	8%	9%	5%	2%	4%	4%	9%
Average All Exempt	31%	29%	19%	11%	4%	4%	1%	0	0	1%	0

CAMPUS RECRUITING PRACTICES

...The ability of a company to attract or develop interview schedules of top students is dependent upon the integration of a combination of recruiting practices into a program. Realizing that there are limited resources – time and money – that can be allocated to this function, how would you in terms of their importance and effectiveness in generating good schedules rank the following practices in managing your college recruiting program?

These rankings should be based upon your perception of their importance and the priorities you personally attach to each of the practices.

1. Very Important 2. Important 3. Moderately Important
4. Of Little Importance 5. Unimportant

<u>MEAN RANK</u>	<u>MODE</u>	<u>% IN MODE</u>	<u>MEAN RANK</u>	<u>MODE</u>	<u>% IN MODE</u>
1. Well-Trained Quality Recruiter/Interviewers	(1)	85.0%	15. On-Campus Interviewing by Full-time Recruiting Professionals	(1)	32.0%
2. Good Descriptions of Recruited Positions or Training Programs	(1)	50.4%	16. Establishing and Maintaining Contact with University Administrators	(2)	32.5%
3. Establishing and Maintaining Contact with Placement Officers	(1)	42.7%	17. Student Organization Contact	(3)	33.3%
4. General Recruiting Brochures	(2)	41.3%	18. Company Annual Reports	(2)	32.5%
5. Middle or Line Management Involvement in Recruiting or Activities	(2)	44.7%	19. Use of Recruiting Teams on Campus	(2)	33.6%
6. Internships, Co-ops or Summer Employment	(1)	46.7%	20. Career Fair Participation	(3)	38.8%
7. Mail, Phone or Personal Contact with Targeted Prospective Interviewees	(2)	43.3%	21. Stated Grade (G.P.A.) Minimums	(3)	34.3%
8. Pre-screening of Candidates	(1)	38.1%	22. Scholarships, Grants, Gifts to Specific Function or Purpose i.e., minority education, women's programs or academic departments	(3)	27.5%
9. Establishing and Maintaining Key Faculty Contacts	(2)	37.5%	23. Resume Book Purchase	(3)	32.5%
10. Career Human Resource Professionals Managing College Relations Function	(2)	38.8%	24. Membership and Participation in Regional Placement Associations	(4)	30.3%
11. Campus Presentations or Receptions	(2)	37.1%	25. Ads in Campus Newspapers	(3)	36.6%
12. Senior Management Involvement in Recruiting or Activities	(2)	41.5%	26. Grants/Gifts to University General Fund	(3)	35.4%
13. Alumni Involvement in Recruiting	(2)	39.0%	27. Recruiting Videos	(3)	33.7%
14. General Visibility: Executives-On-Loan, Speakers, etc.	(2)	38.1%	28. Ads in Campus Placement Manuals	(3)	37.3%
			29. Grants/Gifts to College Placement Office	(3)	36.1%
			30. Ads in National Career Magazines	(4)	35.0%
			31. Gifts Direct to Student Organizations	(3)	34.0%

RECRUITING

...To meet your hiring goals a certain number of campus interviews, second interviews at the plant or office, and job offers are required. This past year's activity is presented along with data from previous surveys.

National Averages 1985-1989

<u>Campus Interviews</u>	<u>Second Interviews</u>	<u>Job Offers</u>	<u>Acceptances</u>
Averages-1985 100	29%	16%	8%
Averages-1986 100	29%	14%	10%
Averages-1987 100	23%	10%	7%
Averages-1988 100	27%	16%	9%
Averages-1989 100	28%	14%	9%

Industry Averages

<u>Industry</u>	<u>Second Interviews</u>	<u>Job Offers</u>	<u>Acceptances</u>
1. Aerospace	59%	29%	17%
2. Automotive & Mechanical	30%	18%	9%
3. Banking, Financial, & Insurance	28%	10%	7%
4. Building Materials and Construction	37%	16%	11%
5. Chemical, Drugs & Rubber	26%	13%	7%
6. Computers & Business Equipment	30%	21%	15%
7. Electrical & Electronics	25%	12%	8%
8. Food and Beverage Processing	19%	10%	6%
9. Glass, Paper & Packaging	34%	13%	9%
11. Merchandising & Services	30%	19%	13%
12. Metals & Metal Products	27%	11%	6%
14. Petroleum & Natural Gas	24%	13%	6%
15. Public Accounting	28%	18%	8%
16. Public Utilities	26%	12%	8%
17. Research & Consulting	31%	19%	11%
18. Transportation	32%	19%	12%
19. Diversified Conglomerate	36%	22%	15%
20. Miscellaneous	26%	12%	9%

Foreign Nationals

...In some technical disciplines shortages exist at the graduate levels. To fill your needs are you now hiring some foreign nationals on or off campus and helping them obtain permanent working papers?

Yes.....20% No 80% If yes, what percent.....6%

CONTEMPORARY PRACTICES

Bonuses

...Have you or are you planning on using financial incentives or what are commonly referred to as "signing bonuses" in your campus recruiting program?

Yes 24%

No 76%

If yes, are they paid to all of your college recruits?

Yes 11%

No 89%

If no, to what groups or categories are the incentives paid?

The utilization of the signing bonus as part of the campus recruiting process continues as a widely discussed topic among recruiters. There are those who are adamantly against its use because they believe it will send the wrong message to the candidate, possibly bring an employee on board whose value system is incompatible with the company's and also contribute to turnover. Those who are offering signing bonuses most often see it as common in their industry. Others are using it with target populations when they want to be competitive. Though, as the statistics indicate, it is not widespread, the practice is most common and in large measure limited to MBA's, secondly candidates with critical skills and third minorities. Bonuses are very common in top managerial and executive recruiting. Accepting the fact that the graduates from the top graduate business programs characteristically have prior work experience it may be a natural extension of the practice. For the other groups it may be a means of providing a short-term solution to a long-term problem. I do, however, as has been reported, find it difficult to comprehend that companies are actually "negotiating" with new MBA's about the amount of their bonus.

The other side of the bonus issue is the confusing intermingling by some of the "signing bonus," which is a pure monetary incentive with the relocation allowance. Organizations located in high cost of living areas have needed to provide assistance when relocating students to these areas or risk losing the candidate. The amounts, generally modest, are offered to all candidates. Others varied the allowance depending on distance, i.e., substituting an allowance for a relocation program that covered all costs. For those using this type of relocation allowance, not as a bonus, it has worked relatively well.

Those paying bonuses to ALL candidates: RANGE: \$1,000 TO \$12,000 AVERAGE: \$4,668

Those paying bonuses to SOME candidates: RANGE: \$500 TO \$20,000 AVERAGE: \$2,843

Average bonus for both groups:.....\$3,049

Resume Books

...Do you purchase resume books?

Yes.....67%

No.....33%

In your opinion are they fairly priced?*

Yes.....67%

No.....23%

*(No Response.....10%)

Comment:

"Most placement offices or organizations seem to price their resume books fairly. For a few, it is outrageous, a rip-off, and we are considering dropping these schools from our recruiting program."

EMPLOYMENT QUALIFIERS

... Are you using, in your interviewing, pre/postemployment process or as a qualifier for permanent employment any of the listed procedures? We would like to know what is being used today, and do you expect to implement any of the listed procedures within the next twelve months?

<u>QUALIFIER</u>	<u>Percent In Use Today</u>	<u>% Expect to Add within 12 Months</u>
Personality and/or Psychological Test	13	2
Skills, Competency, Achievement Testing	24	2
Polygraph (Lie Detector) Testing	.5	1
Paper & Pencil Honesty Test	3	1
Preemployment Physical	52	1
Medical History without Exam	18	0
Postemployment Physical	8	.5
Interviewing by Psychologist	6	.5
Verification of Education	80	1
Handwriting Analysis	1	.5
Drug Testing	54	7
AIDS Testing	1	0
Genetic Testing	.5	0
Past Employment Verification	79	1
Credit Bureau Check	19	1
Conviction/Court or Police Record Checks	34	2
Personal References	60	0
Faculty References	41	.5
Placement Office Reference	24	.5
Security Clearance	18	1
Social Security Verification	30	.5
Citizenship/Visa Status I.R.C.A.	78	.5

Others Qualifiers Listed: Submission of Writing Sample, Motor Vehicle Record Check, Transcript Review, Verification of Military Record (DD214).

* * *

The methods used in qualifying an applicant in today's market are different than a decade ago. The number of firms testing for drug use continues to climb and this is not likely to stop. Dishonesty about work experience, education, and even the simple inflation of grades on a resume is common. If a company is to avoid future problems the investment in qualifying a potential employee will have to be more thorough and therefore expensive. In an effort to contain these costs many smaller and midsize firms are using outside contractors for all or part of the qualification process.

SUMMARY

The economic outlook for the next year is mixed. One can choose whatever forecast he or she elects to believe and then develop a suitable personal plan by selecting a compatible advisor. With an even split between the companies who are projecting a better 1990 and those who expect it to mirror 1989 or decline, there is an element of uncertainty. The stock market is trading within a narrow range nurtured into these parameters by indicators that are unable to delineate a more clearly defined trend. There appears to be economic stability with limited growth, and at the same time, there is vulnerability in the marketplace. If a decline in business becomes pronounced and widespread, there will be an immediate drop in job opportunities.

It is expected that the job market for the class of 1990 will not be noticeably different than 1989. In the aggregate, for the master's and bachelor's candidate, the drop will be slightly more than 1%. Master's degree candidates will encounter a projected decline of 4% in jobs, but this comes after a year, 1989, when hiring for this group increased by 14%. The drop will be likely felt only by those in the lower quartile of their graduating class.

The number of on-campus interviews available to the class of 1990 should be about the same as 1989 since the number of organizations reducing their campus schedules is closely matched with those that are increasing this activity. Some recruiters have indicated that they will be refocusing their recruiting efforts on those institutions that have a reputation for high admission criteria and rigorous academic standards. Some changes may also be attributable to the continuing or growing need for certain hard to recruit disciplines or personnel. Though the Report indicates a flat market for engineers, overall it still is very strong. The demand for chemical engineers is up a second straight year by 23%. Bachelor's chemists have had two years of increased demand – up by 37% in 1990. Nationally, it will be a level job market but, when measured against last year, still healthy and competitive.

Salary adjustments, given a general adequate supply of candidates, are up 3.9% – less than the Consumer Price Index will probably show for the year. Professional staff, those already on the payroll, will see their paychecks increase an average of 5.1%. The average starting salary for a BS chemical engineer, \$34,356, up 5.85% is an indicator of the law of supply and demand at work. Students in the mid-eighties moved away from this major. Many of the chemical companies stopped hiring and curtailed their support of this discipline at the universities. The forecast of a few years back that the need for graduates in computer studies – programmers, analysts, and application specialists – would level out and decline has proven false. Projected demand following a string of annual increases in demand is again up 4%, with an average starting salary of \$29,100 and a range from \$19,800 to \$37,800. The need for computer specialists is going to continue to increase over the next decade. As the technology is incorporated into more functions, the computer-literate person will have a definite advantage in the job market over the illiterate. This skill advantage, when coupled with quantitative analysis, will follow a person throughout his or her professional career.

Companies are now spending more time and money to qualify applicants before offering them employment. Though the list of qualifying practices has not grown, the percentage of employers utilizing them has increased. Drug testing is used by 54% and physical examinations, pre- or postemployment by 60%. Honesty about education, grades, work experience or past "extracurricular" life is investigated with a thoroughness uncommon a decade ago because of applicant falsification. Keeping a problem person off the payroll is much less expensive than the separation after employment, with all of the costs associated with insurance, documentation, unemployment compensation and the potential for litigation.

The value of a college degree has never been greater and its future worth will certainly compound. One principal problem is bringing this message to the students, their parents, and to those in education and government who can begin the systemic reform our institutions require. Without a change that cuts across society, we are going to have a class within our population that will be permanently unemployed. With the political changes that are occurring internationally, we may have an opportunity that is unprecedented, a chance to regain what has been lost to foreign competition.

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With appreciation,

Victor R. Lindquist



THE PLACEMENT CENTER

The Placement Center of Northwestern University is able to assist employers in their search for qualified personnel in virtually every field and at all levels from entry to executive. Inquiries concerning the services of the Center may be directed to Victor R. Lindquist, Director of Placement, Northwestern University, Evanston, Illinois 60208-1005; telephone 708/491-3700.

